



CITY OF FALLS CHURCH

DATE: November 9, 2009

TO: Honorable Mayor Gardner and City Council Members

FROM: John Tuohy, Chief Financial Officer

THROUGH: Wyatt Shields, City Manager

SUBJECT: Responses to Questions

Council members have requested additional information subsequent to the worksession on November 2. The following are the questions and answers:

Q: (a) How many dollars are needed to cover the remaining shortfall for FY10?; and (b) What does this translate to in the tax rate?

A: The remaining shortfall is approximately \$700,000. For FY2010 alone, each penny on the tax rate is the equivalent of approximately \$150,000.

Q: (a) What will the tax rate need to be in FY 11 and FY 12 assuming a reduction of assessment of at least 7.5% and no cuts in expenditures? (b) Include funding of CIP projects in those years? (c) If not what would be the shortfall and what would that mean for the tax rate

A: The current estimate of the FY2011 tax rate necessary to fund a no cut budget is approximately \$1.33. There are, however, a large number of factors that will affect the actual tax rate and many of these factors are not known at this time. Therefore, this estimated rate should not be considered reliable. The tax rate for FY2012 has not been estimated.

Q: What are the balances in the City's segregated trust funds as of June 30, 2009?

A: See the table below.

Fund		June 30, 2009
Post-Employment Trust	\$	64,761,247
Affordable Housing		537,799
Due to Fairfax County Sewer		2,797,741
Northern Virginia Criminal Justice Academy		2,561,909